

Amendments to the Drawings

There are no amendments to the drawings.

REMARKS

This amendment is being filed in response to the Office Action mailed September 28, 2006.

The Examiner has stated that claims 9-11 and 14-17 would be allowable if rewritten to overcome the rejections under 35 U.S.C. 112, 2nd paragraph, and include the limitations of the base claim and all intervening claims.

Claim 1 was objected to due to insufficient antecedent basis for "the referred product identification" and "the referred retailer identification".

Claims 1-17 were rejected under 35 U.S.C. 112, 2nd paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter applicant regards as the invention. In claim 1 it was unclear to the Examiner what the scope of the claim is when the conditional statement "if retailer does not stock the referred product or a set number of consumers in the consumer database other than the referring consumer have not already referred the referred product to the referred retailer" is false. The Examiner states that claim 2 recites a series of conditional statements. It was unclear to the Examiner what the scope of the claim is when the conditional statements are false. The antecedent basis for "the identified retailer" is also stated to be unclear. In claim 6 it was unclear to the Examiner what the antecedent basis is for "the referring consumer reward".

The Examiner has rejected Claims 1, 3-8, and 12 under 35 U.S.C. 103(a) as being unpatentable over Rossides (US 2004/0215542 A1) in view of Walker et. al. (US 2004/0243478 A1). The Examiner has rejected Claim 13 under 35 U.S.C. 103(a) as being unpatentable over Rossides (US 2004/0215542 A1) in view of Walker et. al. (US 2004/0243478 A1) and further in view of Lucas (US 2004/0230503 A1).

Claims 1, 3-5, 9 and 14 have been amended. Claims 10, 11, 15, 16, and 17 are original. Please cancel Claims 2, 6, 7, 8, 12, and 13 without prejudice.

REMARKS RE CLAIM 1 and dependent Claims

Claim 1 has been amended to correct the informalities noted by the Examiner and to address the rejection under 35 U.S.C. 112, 2nd paragraph. Claims 3, 4, and 5 are dependent on Claim 9.

Referring to Claim 1, Rossides does not teach or make obvious

"including the referred product identification and the referred retailer identification in the entry for the referring consumer in the consumer database and informing the manufacturer of the referral of the referral product, if the referred retailer does not already stock the referral product and if a set number of consumers in the consumer database have not already selected the referral product for referral to the referred retailer, otherwise not including the referred product identification and the referred retailer identification in the entry for the referring consumer in the consumer database and not informing the manufacturer of the referral of the referral product;"

Rossides teaches:

[0283] The invention will provide a module for enabling the system to detect duplicate claims. It can also include other modules for detecting other violations/cheats against RP offers and against the inventive method and system. Sellers using the inventive system will want to be assured that these cheats are deterred. Indeed, the modules described in this Section J, along with a database of users' claiming histories, can together comprise a separate, stand-alone invention (database

system) for detecting cheating in a probabilistic referral payment method and system. This cheat detection system acts somewhat like an insurance database system that registers and measures a users' claiming history.

[0284] The invention will provide a module for enabling an inspector to search a user's claiming history by any information that is part of a claim to detect duplicate submissions. The inventive method and system can also include algorithms for detecting and flagging duplicate claims submitted by a given user. Further, the invention can provide for enabling an inspector to flag and disqualify duplicate claims.

[0285] The system can also enable an inspector to put a flag in a submitter's user profile to state that the submitter has submitted a specified number of duplicate claims.

[0286] This capability can be important, as a user's record can be used to assign privileges and penalties to the user. A user might be assessed a fine for submitting duplicates. Or, the user might be banned from using the system entirely.

[0287] Enforcing a One-Time Referral Condition

[0288] An RP offer will often stipulate that a referrer can only be paid once for making a referral to a given prospect. For example, if Ray recommends BestSitters to Kelly, and Kelly buys services from BestSitters, Ray can only claim this referral once. Kelly may buy multiple times from BestSitters, but Ray's first referral claim is the only one that counts.

[0289] Ray may want to cheat the system by submitting referral claims each time he mentions BestSitters to Kelly, or if he

knows that Kelly is a regular customer of BestSitters.

[0290] By providing a method of (or system for) detecting and flagging claims that are duplicates the invention includes the means to prevent this cheat.

[0291] Enforcing a First-Time Buyer Condition

[0292] An RP offer will often stipulate that a referrer can only be paid for making a referral to a new customer, a first-time buyer.

[0293] For example, an RP offer can stipulate that Ray cannot be paid for making a referral about BestSitters to Kelly if Kelly is already a customer of BestSitters.

[0294] Yet, if Ray knows that Kelly is already a customer of BestSitters, he may want to cheat by submitting a referral claim that he has told Kelly about BestStitters.

[0295] This cheat needs to be prevented mainly in the inspection process, outside of the invention, in which an inspector would have to ask BestSitters whether Kelly was a customer before Ray's referral claim was entered.

[0296] But, the invention can include a flagging process for further deterring this cheat such that if an inspector finds that Ray has entered a claim for referring an existing customer, the inspector can enter a flag in Ray's claiming history that Ray has submitted a claim that violates the first-time buyer condition.

[0297] Accordingly, the invention can provide a method of (or system for) entering a flag (notation) that a user has violated

a first-time buyer condition of an RP offer.

[0298] Further, the invention can provide the steps of tallying the violations of a first-time buyer condition and flagging when a user has exceeded a threshold of violations.

[0299] Too Many Successful Referrals (Where Claims Are Submitted Before Sales)

[0300] One way that cheating by a referrer can be detected is to measure how many referral claim, submitted before a prospect has bought, are successful in the sense of leading to sales. That is, if Ray submits, for instance, 100 referral claims, and his claims win 10 first stage bets (assuming a two-bet process), and all 10 of these claims are for referrals that have led to sales, cheating should be suspected.

[0301] The reason that cheating should be suspected is that a referral will "fail" a large percentage of the time because prospective buyers often will not follow the referral.

[0302] Thus, the invention can provide a method of (or system for) measuring the success rate of a user's referrals (rate of a referral leading to a sale), and if that rate exceeds a threshold, flagging that excess in a user's claiming history.

[0303] A flagged user can be penalized, depending on the implementation of the invention.

[0304] Deterring False Referral Claims Made by Users Acting in Cahoots

[0305] While two or more people can legitimately submit a claim for a referral about the same product, to the same prospect, it

is also possible for users to cheat the method and system by submitting multiple claims in cahoots. For example, assume that Mary knows she is going to buy from BestSitters within the next week. She contacts her friends, Ray, Rick and Randy, and tells them to submit a referral claim stating that each recommended BestSitters to Mary. Then there will be three claims submitted, each with a chance to be amplified.

[0306] Alternatively, without Mary's knowledge, Ray can tell his friends, Rick and Randy, to submit claims because he has recommended BestSitters to Mary and he knows that she is about to buy it.

[0307] One way to deter these cheats is to detect when a pair of users submits claims for referrals of the same product too many times. That is, if two (or more) users submit a referral claim for the same product more than a threshold number of times, this "outlier" behavior can be detected, and the submitters can be flagged. For instance, if Ray and Rick submit claims for referring the same babysitting company, same pool company, same dentist, same camera, and so forth, then this behavior can be detected and flagged.

The methods of Rossides are all oriented around catching cheats that submit duplicate referrals many times or team with friends on many products just to obtain rewards. The thresholds taught by Rossides are:

[0298] Further, the invention can provide the steps of tallying the violations of a first-time buyer condition and flagging when a user has exceeded a threshold of violations.

[0302] Thus, the invention can provide a method of (or system for) measuring the success rate of a user's referrals (rate of a referral leading to a sale), and if

that rate exceeds a threshold, flagging that excess in a user's claiming history.

[0307] One way to deter these cheats is to detect when a pair of users submits claims for referrals of the same product too many times. That is, if two (or more) users submit a referral claim for the same product more than a threshold number of times, this "outlier" behavior can be detected, and the submitters can be flagged. For instance, if Ray and Rick submit claims for referring the same babysitting company, same pool company, same dentist, same camera, and so forth, then this behavior can be detected and flagged.

The thresholds of Rossides do not teach the thresholds of the present invention. In the present invention as in Claim 1, a reward can be made to a referring consumer if the retailer does not stock the product AND if a set number of consumers have not already referred the product. The set number is the same as a threshold number of referring customers above which a reward to another referring customer of the same referral product will not be allowed.


Rossides never teaches or makes obvious setting a set number or threshold of referring customers above which no reward will be made for a referral. Claim 3 of the present invention sets the set number or threshold at 1 consumer referral, so that if even 1 consumer has already referred the product that another consumer that refers the product to a retailer cannot be rewarded. Claim 4 sets the set number or threshold greater than 1. For example the set number could be 10 so that if the consumer is the ninth to refer the product to the retailer that the consumer still gets a reward. Claim 5 includes a referral policy in the manufacturer entry in the manufacturer database that includes the set number and the reward for rewarding the referring consumer.

REMARKS RE CLAIM 9 and dependent Claims

As discussed above, the Examiner has stated that claims 9-11 and 14-17 would be allowable if rewritten to overcome the rejections under 35 U.S.C. 112, 2nd paragraph, and include the limitations of the base claim and all intervening claims. Claim 9 has been rewritten to overcome the rejections under 35 U.S.C. 112, 2nd paragraph, and include the limitations of the base claim and all intervening claims. Claims 10, 11, 14, and 15 are dependent on Claim 9. Claim 16 depends on 15 and claim 17 depends on 16.

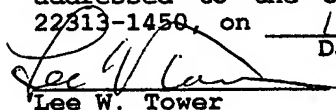
It is requested that Claims 1, 3, 4, 5, 9, 10, 11, 14, 15, 16, and 17 be examined in light of the above and it is respectfully submitted that these claims are now in condition for allowance.

Respectfully submitted,



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